

Energy Policy Review Commission - Unofficial Minutes

Wednesday June 26, 2013

2:00pm – 4:00pm

Executive Office of Energy and Environmental Affairs

2nd Floor Conference Room D

Members in Attendance:

Elliott Jacobson	Action, Inc.
Bob Rio	A.I.M
Tom Regh	Progressive Energy Services
Rob Calnan	Calnan's Energy Services
Robert Kaufmann	Boston University

Others in Attendance:

Dan Burgess	EEA
Matt Saunders	AGO
Nathan Phelps	DPU
Kevin Galligan	Cape Light Compact
Rita Carvalho	Action Inc.
Monica Bhakhri	Office of Rep. Beaton
Andrew Goldberg	AGO
Shaela Collins	Rich May, P.C.
Martha Broad	MassCEC
Lauren Farrell	EEA
Hinna Upal	EEA
Stolle Singleton	Office of the House Minority Leader
Jessica Bardi	EEA
Justin Lukoff	EEA
Tina Halfpenny	DOER

Documents Discussed:

- Agenda
- Draft Report
- List of draft objectives and metrics

Dan Burgess called the meeting to order at 2:02pm.

Introduction

Dan Burgess welcomed the Commission members and meeting attendees and started the introductions around the room. He noted that Undersecretary Kates-Garnick will not be at the meeting at that Mr. Jacobson needs to leave at 3pm. He said Sen. Tarr filed an amendment and the extension passed in the House budget but has not passed the Senate budget yet and the Commission needs to push like the report is still due July-1. He noted there will not be a meeting on July-3 due to the holiday and the need for time to catch up and to make progress on the report. Professor Kaufmann asked if the members will debate how the positions will go in the report and how positions will work in general. Mr. Burgess said that is open for discussion but the metrics and discussion so far was intended to help inform member

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

positions. He said it has been fruitful to see where members are at and helpful to hear that other members are submitting positions.

Mr. Rio said the Commission should keep an eye on the recent talk around climate change so as not to be duplicative. Mr. Goldberg noted the AGO sent the President's Climate Change Initiative. He said there are things the Commission should look at, for example, the \$1 billion loan guarantees, methane strategies, and grid modernization. MR. Rio noted that one way to lower costs is to piggyback on the federal government. Mr. Jacobson said he is un-amused with the race to the top. He said states that are doing well are rewarded; as Massachusetts is perceived as doing well, it is in a good position to get funding. He also noted that it is hard to discern anything from a political speech, however. Professor Kaufmann asked if there is someone who could explain the policies. Mr. Burgess said that it is an important issue for the Commission to be aware of and if someone wants to present on the topic, they are welcome too, however there is also a fact sheet. Mr. Goldberg said he feels the President's Climate Change Initiative is succinct and clear enough; one part is cutting carbon and the rest is climate change. Mr. Galligan said he encourages the Commission to include the Initiative in the report, if at least as a reference.

Mr. Burgess asked if anyone had anything else to add on the President's Climate Change Initiative. He noted that Commissioner Sylvia was recently testifying in D.C. for energy efficiency. He also noted that on July 9 there is a hearing on Energy Efficiency Bills and a hearing on Renewable Energy Bills on July 16.

Commission Member Positions

Mr. Burgess said that the AGO has submitted something. Mr. Saunders noted that he has not read them but knows the office has not wavered from what was previously submitted. Mr. Rio said he has submitted a piece on reliability and just wanted to show there are different stances and views on reliability. Ms. Farrell asked Mr. Rio's submission was for the cost or reliability section. Mr. Rio asked if there were different sections. Ms. Farrell said there are two cost sections and one on reliability. Mr. Rio said he would resubmit his position. Mr. Burgess said a chart was submitted from Rep. Beaton's office and there is a place holder in the draft for it. Mr. Regh noted he had submitted positions and on the recommendations were cut and pasted, but the rest should have been included. Mr. Burgess apologized and said they would go back.

Metrics

Mr. Burgess said the plan was to get the framework of the metrics done as the Commission has spent over a month agreeing on metrics for the report. Mr. Burgess said he and Undersecretary Kates-Garnick will work on getting a draft to the Commission by July 8. He said the Commission should go through section by section and finalize the metrics.

Expanding Renewable Energy

Mr. Burgess said the metrics have essentially been finalized but asked if folks are good with the metrics and if any data should be added to them. Professor Kaufmann said he would like to look at PVs in Boston and the average KW and cost suppression. He said he is currently looking at DRIPE but it is a lot of coding and he is trying to figure it out. Mr. Jacobson asked how long DRIPE has been around and suggested Professor Kaufmann contact DPU to help guide his research. Professor Kaufmann noted that he thinks he is doing research that has not been done yet. He said also wants to compare this research to money spent on RECS. Mr. Saunders noted there is an avoided cost study due out July 8. Professor Kaufmann said he might be doing something in a new way. Mr. Burgess asked Professor Kaufmann what

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

he meant by value. Professor Kaufmann said he wants to look at electricity generated multiplied by the KW/Hour at the time; the day ahead rotational marginal price. Mr. Burgess asked if this research would be done by the end of July. Professor Kaufmann replied that it would be done by then.

Mr. Burgess asked if anyone was doing an analysis. He said that as the report is being put together, members can point out what is missing. Ms. Singleton asked if the metrics are going to be calculated. Mr. Burgess responded that it depends on the metric and if the data does not exist, that request can be included in the metrics. Mr. Regh asked how much time the Commission has for the report. Mr. Burgess said he is hoping to the first draft by July 8 and then the Commission can submit the draft for public comment and finish the report. Mr. Jacobson asked if the Commission could put an addendum for Professor Kaufmann's analysis if it is not ready. Mr. Burgess replied that the reason the Commission asked for the extension was to allow for additional research so the report can state that more research will follow.

Promoting Energy Efficiency in the Commonwealth

Mr. Burgess asked if the Commission had anything to add in the energy efficiency section. Mr. Regh noted that in a previous meeting, there was a discussion around what metrics already exist and Mr. Davis had said he would verify which metrics do exist. He said that while Mr. Davis is not at the meeting, he does expect to get an update and can contact him to see if the data is available. Mr. Burgess said he would follow up with DPU. Mr. Phelps noted that from what he could recall, he wasn't under the impression that Mr. Davis was going to do research. Mr. Regh said the Legislature cannot be burdened to look through file rooms so the Commission needs to gather data and have the information on hand. Mr. Burgess agreed that the data should be made easier to access at the least. Mr. Saunders noted that the statewide database is in its infancy stage but there is a working group at DPU on reporting and that would be the forum to bring this issue up. Mr. Regh asked if participants need intervenor status. Mr. Saunders said no and that the working group is looking just for people who are interested. Mr. Phelps confirmed that the working group does not require intervention status. He continued that there are so many measures for energy efficiency but the data can be difficult to summarize; the access database is thousands of pages long. Mr. Jacobson noted that the data should be made more accessible than transparent. Mr. Regh said that the problem with what is reported is that the numbers are meaningless and no one can gather any useful information. He also noted that light bulbs are reported as individual participants. Mr. Galligan said that every light bulb does not count as a participant, rather a seven pound equivalent to one install equals one participant. He suggested Mr. Regh attend a session to get a better understanding of the information. Mr. Regh asked if there is data on how many unique homes are done. Mr. Galligan replied that there are filters for that sort of information. Mr. Regh asked if someone could help summarize this for him instead of him coming into Boston for a meeting. Ms. Collins suggested Mr. Regh look at the 3-Year Plan as there are definitions in the appendix.

Ms. Singleton asked if Mr. Regh's metrics were included in the recent draft as her understanding was to include all the metrics in the report. Mr. Regh said if they are not in the report he wants to include them in his personal section at the least. He said there were many metrics put out there by DOER and he wants to include some that he feels are necessary. Ms. Singleton asked how many metrics Mr. Regh included in his section. Mr. Regh replied there are about 11 or 21 metrics that he suggested. Mr. Burgess asked Mr. Regh to read off his suggested metrics. Mr. Regh listed his energy efficiency metrics:

- \$ invested in consumer education/# of consumer education programs
- Number of unique initial inquiries into the call center

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

- Number of participants (e.g. Home Energy Assessments completed)
- Quantity of each approved measure installed (e.g. air sealing, insulation, thermostat, etc)
- Average project size (\$)
- Average annual and lifetime kWh savings per participant
- Average annual and lifetime therm savings per participant
- Average annual and lifetime electric benefits per participant
- Average annual and lifetime gas benefits per participant
- Average annual and lifetime resource benefits per participant
- Average annual and lifetime non-resource benefits per participant

Professor Kaufmann asked if the State has official forecasts, in terms of benefits. Ms. Collins noted that should be included in the O-850 Tables. The Professor asked if the Commission could include the table in the report. Mr. Galligan noted that comments will be submitted from a PA perspective but knows the Commission will do what it wants to do. Mr. Regh said what he is asking is not unreasonable. Mr. Burgess said this information is worth including and the Commission can try to reach a consensus on it. Professor Kaufmann asked if it is possible for people who know the numbers to give the information so the Commission can hash it out. Mr. Phelps noted that kWh savings are measured on a lifetime basis. Professor Kaufmann said the closest answer should be given then. Mr. Burgess asked Mr. Regh if it was okay to give the closest answer possible for some of his metrics. Mr. Regh said it was okay.

Encouraging Business Development and Job Creation in Massachusetts

Mr. Burgess asked if there were any additions to the jobs section. Mr. Regh said he has not gone over the proposed metrics yet. Professor Kaufmann asked if it was possible to get the data on startups from MassCEC. Ms. Broad said she has been asked about that data but does not work in that group at MassCEC. She said investments are taken care of in a portfolio manner. She asked Professor Kaufmann if this was an official request. Professor Kaufmann asked if it was possible to put in an official request given the time restraints of staff and the Commission. Ms. Broad replied that she would go back to MassCEC and follow up on that request.

Mr. Galligan noted that everything that is being asked for is very PA specific and is filed every year by August. He continued that the annual energy efficiency report is filed by the PA's and the tables are already pre-formatted. Mr. Regh said that he is not saying the data isn't out there, rather the Legislature should not be asked to dig through the data. Ms. Halfpenny said that all of this data is rolled up by consultants and the EEAC. Mr. Jacobson said that he doesn't want to sound like a broken record, but the Commission needs to find out what data is and is not available. He said the point of the Commission is not to redesign anything. Mr. Regh said his point is only to get make the data available and get it out there. Mr. Jacobson said to not assume everything is screwed up. Mr. Regh said the PA's should assume everything is rosy. Mr. Jacobson noted that every time he as work with the PA's, things have worked out fine. Mr. Regh said that he knows the data and knows world wide information and when he has asked questions of the PA's, they do not answer his calls.

Ms. Halfpenny noted that the average rebate is \$1500-\$2000. Mr. Galligan noted that if Mr. Regh is looking at the Q1 data, then there isn't even 3 months of data. He added that the annual reports are filed in August. Ms. Halfpenny noted that DOER goes over this data on an annual basis. Mr. Burgess

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

urged to keep the meeting moving forward and said that Mr. Regh's metrics can be included and the Commission can see where there is and isn't data. Ms. Singleton noted that if there is data on the EEAC website, it would be helpful where it is. She also said that if the Commission does not agree with Mr. Regh then he can include his metrics in his personal recommendations.

Reducing Costs Associated with Energy Programs While Maximizing Benefits

Mr. Burgess asked if the Commission had further input for metrics. No Commission members offered suggestions or changes to the section.

Reducing the Cost of Electricity for Commercial, Industrial, and Residential Customers

Mr. Burgess asked if the Commission had further input for metrics. Mr. Rio noted that this is the section he would like to go over again and resubmit his position. Mr. Regh said he has two metrics for this section:

- Spread sheet or chart showing all bill surcharge rates (per kWh and per therm) for renewable and energy efficiency.
- Monthly and annual actual bill impact of renewable and efficiency surcharges for the average gas and electric user within each rate classification. Data should include assumptions about usage and rates.

Mr. Rio said he believes this information is in the data request he asked for. Mr. Regh said the information request data should go into the report. Mr. Rio asked if his data request should go into his section. Mr. Burgess said it should go into both the report and Mr. Rio's section. He said the information requests were meant to help inform members' recommendations but if the Commission agrees, they can also go into the report. Professor Kaufmann asked if it was okay to ask for data from private companies. Mr. Burgess said he thinks it might be proprietary. Mr. Phelps said ISO has a lot of data but personally doesn't know which data is available.

Increasing Electricity Reliability

Mr. Burgess asked if the Commission had further input for metrics. No Commission members offered suggestions or changes to the section.

Next Steps

Mr. Burgess said the next action item for the metrics is to incorporate Mr. Regh's metrics for group discussion. He said that Undersecretary Kates-Garnick will start writing the report and he asked the Commission for flexibility and understanding as writing will be a lot of work and there will be a wide variety of thoughts to include. He encouraged Commission members to begin writing their recommendations and positions and opened the floor for discussion.

Professor Kaufmann asked about how the grid will affect economic inequality and what happens to the grid as people leave. Mr. Jacobson said the grid does affect low-income differently. Mr. Rio said he agrees and brought this issue up before. Professor Kaufmann said it is something people need to think about. Mr. Phelps said that issue is definitely a concern and there is currently a DPU grid docket open where one consideration is a cost recovery mechanism. Mr. Rio said this is why he feels many things don't really reduce costs. He said that costs can be difficult to calculate and there is a lot of complicated information but believes coordination is getting better now. Ms. Collins suggested Professor Kaufmann look at water rate cases and economic inequality is considered. Mr. Galligan said energy efficiency will

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

save the day for low-income communities. Mr. Phelps urged the Commission to consider what the State has control over.

Mr. Burgess said there are some interesting general recommendations the Commission can highlight. He asked if there was a timeline for grid modernization. Mr. Phelps said that a timeline is unknown but that it is no doubt a high priority. Mr. Goldberg said that one thing the Commission can do is reflect all of the open and overarching DPU dockets as well as any relevant reports. Mr. Phelps noted that on Monday (June 24) electricity was 60 cents/ hour. Mr. Rio said that goes back to volatility, which is somewhat of a myth on the electricity side.

Mr. Phelps said that Mr. Davis mentioned there were questions on reliability. Mr. Rio said there is so much on that topic and that it's the Commission hardest topic to cover. Mr. Regh said he thinks there were questions on the metrics. Mr. Phelps said he is available to answer questions regarding reliability and there is an open investigation on service quality that the Commission should look at.

Mr. Burgess asked if there were any further questions and adjourned the meeting.

The meeting adjourned at 3:17pm.

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.